



STATE OF MICHIGAN

**Family
Independence
Agency**

Memo

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To: Jerome Rutland, Director
Wayne County Operations
Field Operations Administration

Date: March 19, 2002

From: Rita Barker, Director
Office of Internal Audit

Subject: Lutheran Child & Family Services of Michigan
Contract: TP 01-82001
Audit #2001-002

Lutheran Child & Family Services of Michigan entered into contract number TP-01-82001, with the Family Independence Agency to provide the following services: Universal Home Visits, Comprehensive Assessment, Comprehensive Service Plan, Case Management, Crisis Intervention, Male Responsibility/Teen Father Program, Minor Parent Services, and Teen Pregnancy Prevention Program Project. We performed an audit of this contract for the period October 1, 2000 through September 30, 2001. The purpose of our audit was to determine if Lutheran Child & Family Services of Michigan billings to FIA were accurate, if the cost billed FIA were necessary, reasonable, and proper, and if the units of service reported were accurate. We also reviewed case files to determine if they contained the documentation required by the contract.

Based on our audit, we concluded that the billings submitted by Lutheran Child & Family Services of Michigan were accurate, except for an expense charged for consultation services in September that should be charged to the next year's contract. The September billing was over charged \$897.57 for a payment made for future services.

WE RECOMMEND Field Operations Administration (FOA) initiate the process to recoup \$897.57 from Lutheran Child & Family Services of Michigan.

We also found that a petty cash custodian for the Teen Parent program in Oak Park was writing the reimbursement checks to herself without any other review or approval for petty cash reimbursement. For proper internal control of the petty cash reimbursement system, someone of authority other than the custodian should be preparing or approving the reimbursement checks for the petty cash.

WE RECOMMEND FOA ensure that a proper internal control system is in place so that a person of authority is approving the reimbursement for petty cash.

In addition, the case files we selected for review contained all of the required information.

Please contact me if you have any questions regarding this audit.

cc. M. Jasonowicz

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